



4004

ANNUAL REPORT

OF

Name: STATE LONG DISTANCE TELEPHONE COMPANY

Principal Office: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121-0230

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I JERRY GUETSCHOW of
(Person responsible for accounts)

STATE LONG DISTANCE TELEPHONE COMPANY, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

JERRY GUETSCHOW 03/27/2000
(Person responsible for accounts) (Date)

ASSISTANT TREASURER
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: STATE LONG DISTANCE TELEPHONE COMPANY
Utility Location: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121-0230

Utility Web Site Address:

When was utility organized?: 10/01/1900

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JERRY GUETSCHOW
Title: ASSISTANT TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121

Fax Number: (262) 723 - 8387
Telephone Number: (262) 741 - 1129
Email Address: jgetch@elknet.net

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR JERRY GUETSCHOW
Title: ASSISTANT TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121

Fax Number: (262) 723 - 8387
Telephone Number: (262) 741 - 1129
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Person responsible for statistical information contained in report

Name: MR JERRY GUETSCHOW
Title: ASSISTANT TREASURER

Office Address: 216 W WALWORTH ST
P.O. BOX 230
ELKHORN, WI 53121

Fax Number: (262) 723 - 8387
Telephone Number: (262) 741 - 1129
Email Address: jgetch@elknet.net

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	STATE LONG DISTANCE TELCOM, LTD
Address:	216 W WALWORTH ST PO BOX 230 ELKHORN, WI 53121
Number of Shares Held:	12,000
Beneficial Owner:	NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	6,547,000	6,107,770	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	746,967	749,221	2
Plant Nonspecific Operations Expense	1,872,303	1,970,980	3
Customer Operations Expense (6610-6620)	882,009	889,745	4
Corporate Operations Expense (6710-6790)	877,786	790,342	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	1,084,553	884,174	7
Total Operating Expenses	5,463,618	5,284,462	8
Net Operating Income	1,083,382	823,308	9
Other Income			
Nonoperating Income and Expense (7300)	254,694	144,566	10
Nonoperating Taxes (7400)	15,629	16,427	11
Interest and Related Items (7500)	50,202	10	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	69,538	85,936	14
Total Nonoperating Income	258,401	214,065	15
Net Income	1,341,783	1,037,373	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

See the General Footnotes on Page # 56

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

See the General Footnotes on Page # 56

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

See the General Footnotes on Page # 56

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	2,350,646	2,200,081	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	2,350,646	2,200,081	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	346,019	325,116	6
Accounts Receivable Allowance-Telecom (1181)*	2,000	2,000	7
Net: Telecommunications Accounts Receivable	344,019	323,116	
Other Accounts Receivable (1190)*	298,830	373,790	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	298,830	373,790	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	3,403	4,378	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	646,252	701,284	
SUPPLIES			
Inventories (1220)*	97,595	90,481	13
TOTAL SUPPLIES	97,595	90,481	
PREPAYMENTS			
Total Prepayments (1280)*	65,048	76,263	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	65,048	76,263	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	0	0	20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	3,159,541	3,068,109	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	0	0	22
Other Investments in Nonaffiliated Companies (1402)*	1,017,647	1,506,930	23
Nonregulated Investments (1406)*	374,461	111,682	24
Unamortized Debt Issuance Expense (1407)*	0	0	25
Sinking Funds (1408)*	0	0	26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	1,612	0	27
TOTAL INVESTMENTS	1,393,720	1,618,612	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	0	0	30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	1,393,720	1,618,612	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	15,428,357	14,937,802	31
Less: Accumulated Depreciation (3100)*	5,603,480	8,217,908	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	14,412	13,931	34
Less: Accumulated Amortization--Intangible (3500)*	0	0	35
NET TELECOMMUNICATIONS PLANT IN SERVICE	9,810,465	6,705,963	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	38
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	289,565	567,550	40
TOTAL TPUC	289,565	567,550	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	41
Less: Accumulated Amortization--Other (3600)*	0	0	42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	10,100,030	7,273,513	
TOTAL ASSETS AND OTHER DEBITS	14,653,291	11,960,234	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	764,648	383,879	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	149,333	165,852	3
Customer Deposits (4040)*	419	115	4
Current Maturities--Long-Term Debt (4050)*	0	0	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	(124,391)	1,333	7
Other Taxes--Accrued (4080)*	(41,401)	(52,013)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	195,148	90,457	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES	943,756	589,623	
LONG-TERM DEBT			
Funded Debt (4210)*	1,400,000	0	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT	1,400,000	0	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	335,001	312,416	20
Unamortized Operating ITC--Net (4320)*	19,223	26,657	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	582,713	616,504	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	209,415	209,415	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	1,146,352	1,164,992	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,200,000	1,200,000	28
Additional Paid-in Capital (4520)*	115,105	115,105	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	9,848,078	8,890,514	32
TOTAL STOCKHOLDERS' EQUITY	11,163,183	10,205,619	
TOTAL LIABILITIES AND OTHER CREDITS	14,653,291	11,960,234	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

1. None

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

2. None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
SLD Services, Ltd	SERVICES	1
State Long Distance Telcom, Ltd	TELCOM	2
SLD Broadcasting, Ltd	WSLD	3

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	5680AT000100	5680AT000103	None	
Name of Affiliate	SERVICES	SERVICES	TELCOM	WSLD	1
Designate whether billed to or from:	FROM	TO	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	CT	C	M	3
Total Dollar Activity	22,872	550,330	4,692	7,065	4
Percent of affiliate's business billed to all affiliated regulated utilities	1.95			2.66	5
If cost based, rate of return on equity or markup incorporated in billings					6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	5680AT000101				
Name of Affiliate	WSLD				1
Designate whether billed to or from:	TO				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	CT				3
Total Dollar Activity	19,912				4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings					6
Footnotes					

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	77,506	27,025	1
Motor Vehicles	2112	466,770	72,272	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	232,538		6
Buildings	2121	578,553	11,500	7
Furniture	2122	22,469		8
Office Equipment	2123	70,074	16,181	9
General Purpose Computers	2124	363,489	46,578	10
TOTAL--GENERAL SUPPORT ASSETS:		1,811,399	173,556	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,668,567	3,092,326	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,954,419	378,552	16
TOTAL--CENTRAL OFFICE ASSETS:		5,622,986	3,470,878	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	253		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		253	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	17,394		22
Aerial Cable	2421	385,370	17,658	23
Underground Cable	2422	698,392	587	24
Buried Cable	2423	5,601,183	826,016	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	5,116		29
Conduit Systems	2441	781,297		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		7,488,752	844,261	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			104,531	1
2112	93,257		445,785	2
2113			0	3
2114			0	4
2115			0	5
2116			232,538	6
2121			590,053	7
2122			22,469	8
2123	18,375	0	67,880	9
2124	139,872		270,195	10
	251,504	0	1,733,451	
2211			0	11
2212	3,492,751	0	3,268,142	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	97,390	0	2,235,581	16
	3,590,141	0	5,503,723	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			253	21
	0	0	253	
2411			17,394	22
2421	12,842	0	390,186	23
2422	0	0	698,979	24
2423	135,319	0	6,291,880	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			5,116	29
2441	8,334		772,963	30
	156,495	0	8,176,518	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
AMORTIZABLE ASSETS				
Leasehold Improvements	2682	14,412		32
Intangibles	2690	0		33
TOTAL--AMORTIZABLE ASSETS:		14,412	0	
TOTAL TELECOM. PLANT IN SERVICE	2001	14,937,802	4,488,695	
Less: Allocation to Nonregulated Activity - EOY	2001			34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001			

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			14,412	32
2690			0	33
	0	0	14,412	
	3,998,140	0	15,428,357	
2001			0	34
			15,428,357	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	53,902	5,200	1
Company Communications Equipment	2123.2	16,172	10,981	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	3,668,567	3,092,326	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	1,230,762	147,193	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	723,657	231,359	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	385,370	17,658	14
Underground Cable - Nonmetallic	2422.1	215,571		15
Underground Cable - Metallic	2422.2	482,821	587	16
Buried Cable - Nonmetallic	2423.1	431,637	180,748	17
Buried Cable - Metallic	2423.2	5,169,546	645,268	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	4,412		54,690	1
2123.2	13,963		13,190	2
2212.1			0	3
2212.2	3,492,751		3,268,142	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	97,390		1,280,565	10
2232.2			0	11
2232.3			955,016	12
2421.1			0	13
2421.2	12,842		390,186	14
2422.1			215,571	15
2422.2			483,408	16
2423.1			612,385	17
2423.2	135,319		5,679,495	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	324,292	.0	33,733		1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	137,413	8.33	15,872	5,407	5
Buildings	2121	303,983	3.0	17,529		6
Furniture	2122	(8,219)	7.69	1,701	3,353	7
Office Equipment	2123	12,279	.0	9,058	6,683	8
General Purpose Computers	2124	319,572	20.0	38,406	619	9
Total-- GENERAL SUPPORT ASSETS		1,089,320		116,299	16,062	
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	3,038,380	.0	690,975		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	938,888	.0	193,587		15
Total-- CENTRAL OFFICE ASSETS		3,977,268		884,562	0	
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0				19
Other Terminal Equipment	2362	244	14.29	9		20
Total-- INFORMATION ORIG/TERM ASSETS		244		9	0	
CABLE WIRE FACILITIES ASSETS						
Poles	2411	17,394	7.5	0		21
Aerial Cable	2421	180,673	.0	20,028		22
Underground Cable	2422	313,187	.0	34,902		23
Buried Cable	2423	2,403,148	.0	295,827		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	5,116	11.0	0		28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	231,558	3.5	27,053	29
Total-- CABLE WIRE FACILITIES ASSETS		3,151,076		377,810	0
Total Accumulated Depreciation	3100	8,217,908		1,378,680	16,062
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	93,257		38,935		303,703	1
2113					0	2
2114					0	3
2115					0	4
2116					158,692	5
2121					321,512	6
2122					(3,165)	7
2123	18,375				9,645	8
2124	139,872				218,725	9
	251,504	0	38,935	0	1,009,112	
2211					0	10
2212	3,492,751	68,475	20,000		188,129	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	97,390				1,035,085	15
	3,590,141	68,475	20,000	0	1,223,214	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					253	20
	0	0	0	0	253	
2411					17,394	21
2421	12,842	786			187,073	22
2422	0				348,089	23
2423	135,319	704			2,562,952	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					5,116	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441	8,334				250,277	29
	156,495	1,490	0	0	3,370,901	
3100	3,998,140	69,965	58,935	0	5,603,480	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	25,700	12.5	6,305	761	1
Company Communications Equipment	2123.2	(13,421)	14.29	2,753	5,922	2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	3,038,380	8.33	690,975		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	740,247	10.0	109,654		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	198,641	10.0	83,933		12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	180,673	5.5	20,028		14
Underground Cable - Nonmetallic	2422.1	36,074	5.0	10,779		15
Underground Cable - Metallic	2422.2	277,113	5.0	24,123		16
Buried Cable - Nonmetallic	2423.1	63,028	5.0	26,101		17
Buried Cable - Metallic	2423.2	2,340,120	5.0	269,726		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	4,412				28,354	1
2123.2	13,963				(18,709)	2
2212.1					0	3
2212.2	3,492,751	68,475	20,000		188,129	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	97,390				752,511	10
2232.2					0	11
2232.3					282,574	12
2421.1					0	13
2421.2	12,842	786			187,073	14
2422.1					46,853	15
2422.2					301,236	16
2423.1					89,129	17
2423.2	135,319	704			2,473,823	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	8,890,514	8,181,147	1
Changes:			
Balance Transferred from Income	1,341,783	1,037,373	2
Dividends Declared:			
Common	381,000	381,000	3
Preferred	0	0	4
Total Dividends Declared	381,000	381,000	
Miscellaneous Debits to Retained Earnings	3,219	0	5
Miscellaneous Credits to Retained Earnings	0	52,994	6
Balance--End of Year	<u>9,848,078</u>	<u>8,890,514</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	1,872,966	1,714,218	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,872,966	1,714,218	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	510,176	466,716	11
Switched Access Revenue (5082)*	1,414,814	1,413,715	12
Special Access Revenue (5083)*	151,451	116,566	13 A
TOTAL INTERSTATE ACCESS REVENUES (5080)	2,076,441	1,996,997	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0	0	14
Switched Access Revenue (5084.2)*	1,530,500	1,405,820	15
Special Access Revenue (5084.3)*	240,265	178,967	16 A
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,770,765	1,584,787	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0		17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	555,884	555,318	30
Rent Revenue (5240)*	492	492	31
Corporate Operations Revenue (5250)*	0	0	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	31,698	18,444	33 B
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	31,698	18,444	
Interstate Billing and Collection Revenue*	93,904	98,079	39
Intrastate Billing and Collection Revenue*	148,049	141,660	40
Total Carrier Billing and Collection Revenue (5270)*	241,953	239,739	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	830,027	813,993	
GROSS OPERATING REVENUES	6,550,199	6,109,995	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	3,199	2,225	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	3,199	2,225	
TOTAL OPERATING REVENUES	6,547,000	6,107,770	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	42,232	53,086	1
Less: Nonregulated		0	2 c
Net Regulated	42,232	53,086	3
Total General Support Expense (6120)	120,935	105,375	4
Less: Nonregulated		0	5
Net Regulated	120,935	105,375	6
Total Central Office Switching Expense (6210)	165,604	211,843	7
Less: Nonregulated		0	8 D
Net Regulated	165,604	211,843	9
Total Operator Systems Expense (6220)		0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	40,532	22,792	13
Less: Nonregulated		0	14 D
Net Regulated	40,532	22,792	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated		0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	377,664	356,125	19
Less: Nonregulated		0	20
Net Regulated	377,664	356,125	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	746,967	749,221	
Less: Nonregulated	0	0	
Net Regulated	746,967	749,221	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated		0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	416,487	503,762	25
Less: Nonregulated		0	26
Net Regulated	416,487	503,762	27
Access Expense (6540)	78,853	55,205	28
Less: Nonregulated		0	29 E
Net Regulated	78,853	55,205	30
Total Depreciation and Amortization Expense (6560)	1,376,963	1,412,013	31
Less: Nonregulated		0	32
Net Regulated	1,376,963	1,412,013	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,872,303	1,970,980	
Less: Nonregulated	0	0	
Net Regulated	1,872,303	1,970,980	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	24,230	29,303	34
Less: Nonregulated		0	35
Net Regulated	24,230	29,303	36
Total Services (6620)	857,779	860,442	37
Less: Nonregulated		0	38
Net Regulated	857,779	860,442	39
TOTAL CUSTOMER OPERATIONS EXPENSE	882,009	889,745	
Less: Nonregulated	0	0	
Net Regulated	882,009	889,745	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	496,577	429,777	40
Less: Nonregulated		0	41
Net Regulated	496,577	429,777	42
Total General and Administrative (6720)	381,209	360,565	43
Less: Nonregulated		0	44
Net Regulated	381,209	360,565	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	877,786	790,342	
Less: Nonregulated	0	0	
Net Regulated	877,786	790,342	
TOTAL EXPENSES	4,379,065	4,400,288	
Less: Nonregulated	0	0	
Net Regulated	4,379,065	4,400,288	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	0	0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,376,483	1,409,131	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0	4
Amortization Expense--Tangible (6563)	480	2,882	5
Amortization Expense--Intangible (6564)	0	0	6
Amortization Expense--Other (6565)	0	0	7
Total: Reported in Account 6560	1,376,963	1,412,013	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	6,550,199	1
Plus: Collection of amounts previously written off	4,580	2
Less: Uncollectibles written off during the year	7,779	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>6,547,000</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,872,966	1
Plus: Total Intrastate Access Revenues (5084)	1,770,765	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,643,731</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	6,550,199	1
Plus: Collection of amounts previously written off	4,580	2
Less: Uncollectibles written off during the year	7,779	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>6,547,000</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,872,966	1
Plus: Total Intrastate Access Revenues (5084)	1,770,765	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	0	5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>3,643,731</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(7,437)	(13,005)	2
Operating Federal Income Taxes (7220)	597,617	624,396	3
Operating State and Local Income Taxes (7230)	139,254	153,864	4
Operating Other Taxes (7240)	386,190	359,939	5
Provision for Deferred Operating Income Taxes--Net (7250)	(31,071)	(241,020)	6
TOTAL OPERATING TAXES (7200)	1,084,553	884,174	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	6,321	7,596	7
Interest Income (7320)	138,935	133,188	8
Income from Sinking and Other Funds (7330)	0	0	9
Allowance for Funds Used During Construction (7340)	50,199	0	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	11
Other Nonoperating Income (7360)	(16,727)	(8,692)	12
Special Charges (7370)	(75,966)	(12,474)	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	254,694	144,566	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	15,629	16,427	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	50,202	10	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	69,538	85,936	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
Commercial Real Estate Rent	1
Internet Service Provider	2
Payphone Operations	3
Toll Resale (Branding)	4

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
Total Local	0	0	
TOLL			
Toll			5
Total Toll	0	0	
Total Local & Toll	0	0	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	36	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	2	0	0	0	3
Feature Group B -- Term.	11	0	0	0	4
Feature Group C -- Orig.	0	0	4,231	0	5
Feature Group C -- Term.	0	0	4,096	1	6
Feature Group D -- Orig.	10,163	4,323	1,914	1	7
Feature Group D -- Term.	18,202	7,768	0	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	34	1
Strand miles of plant - fiber optics	780	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	49	1
56 kbps	23	19	2
64 kbps (DS0)	9	18	3
1.54 Mbps (DS-1)	24	25	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	34	1
Strand miles of plant - fiber optics	780	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	49	1
56 kbps	23	19	2
64 kbps (DS0)	9	18	3
1.54 Mbps (DS-1)	24	25	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	1,387	1,493	3
2 Party		0	4
4 Party		0	5
PBX Trunks/System Trunks	1,496	1,693	6
Centrex Trunks		0	7
Centrex Lines		0	8
Key System Trunks		0	9
Mobile (Utility Provided Service)		0	10
Paging (Utility Provided Service)		0	11
FX-Out (Switched)	6	5	12
Pay Telephone	127	123	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other		0	19
Total Business Lines	3,016	3,314	20
Residential (Incl. Emp. Concess.)			
1 Party	6,665	7,080	22
2 Party		0	23
4 Party		0	24
FX-Out (Switched)	0	0	25
Other		0	26
Total Residential Lines	6,665	7,080	27
Total Bus & Res Lines	9,681	10,394	28
Company Used Lines	66	65	29
Total Lines Used	9,747	10,459	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	1	5	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	21	20	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	0	686	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	619	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	32	26	11
Feature Group C Trunks	144	168	12
Feature Group D Trunks	691	660	13
TSPS - Trunks	81	25	14
EAS - Trunks	486	408	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	13,111,991	13,680,494	27
Total Company Square Miles	75	75	28
Total Company Route Miles	0	0	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1730				1
Business					2
1 Party	1,493				3
2 Party	0				4
4 Party	0				5
PBX Trunks/System Trunks	1,693				6
Centrex Trunks	---CONF---				7
Centrex Lines	0				8
Key System Trunks	0				9
Mobile (utility provided service)	0				10
Paging (utility provided service)	0				11
FX-Out (Switched)	5				12
Pay Telephone	123				13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	0				15
Pay Stations - Public	0				16
- Semi-Public	0				17
- Cust. Owned	0				18
Other	0				19
Total Business Lines	3,314	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	7,080				22
2 Party	0				23
4 Party	0				24
FX-Out (Switched)	0				25
Other	0				26
Total Residential Lines	7,080	0	0	0	27
Total Bus & Res Lines	10,394	0	0	0	28
Company Used Lines	65				29
Total Lines Used	10,459	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1730				1
Miscellaneous					2
WATS Lines - OutWATS	5				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	20				5
Special Access-intraLATA (equiv. access lines)	686				6
Special Access-interLATA (equiv. access lines)	619				7
Feature Group A Lines	0				8
Feature Group B Trunks	26				9
Feature Group C Trunks	168				10
Feature Group D Trunks	660				11
TSPS - Trunks	25				12
EAS - Trunks	408				13
Cellular Trunks (Pub. Sw. Net.)	0				14
Video Distance Learning - discounted (special tariff)	0				15
Customers					16
Business - 2 Party Customers	0				17
Business - 4 Party Customers	0				18
Residential - 2 Party Customers	0				19
Residential - 4 Party Customers	0				20
Other					21
Exchange C.O., Info. Orig./Term., & Cable Wire Fac. Assets (based on physical location of plant)	13,680,494				22
Exchange Square Miles	75				23
Exchange Route Miles	0				24
Footnotes	F				25

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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EQUIPMENT ABBREVIATIONS

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Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	ELKHORN	ELKHORN			1
PSCW Exchange ID	1730	1730			2
Central Office Name	ELKHORN	LAUDERDALE			3
PSCW Central Office ID	1	2			4
Manufacturer of COE (Page 54)	ATT/LUC	ATT/LUC			5
Year COE Installed	1999	1999			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0	0			10
COE Generic Software Release No.	5E13	5E13			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	7,723	2,736			14
- Equipped	11,968	5,472			15
- Wired	15,552	6,176			16
Trunks - In Use	2,007	335			17
- Equipped	2,880	960			18
- Wired	3,024	960			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	110	16			25
DS-3 - In Use	6	1			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	188	60			33
No. of fiber strands working (LIT) in C.O.	20	4			34
No. of fiber strands for interoffice use	48	24			35
Miles of fiber sheath in wire center	23	11			36
Access Tandem Serving this C.O.:					
- C.O. Name	ELKHORN	ELKHORN			37
- PSCW C.O. ID	1730-01	1730-01			38
Does this C.O. do access tandem switching?	Yes	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

The Accounting policies of the Company conform to generally accepted accounting principles and reflect practices that are appropriate to the telephone industry.

Revenues are recognized when earned, regardless of the period in which they are billed.

Telephone plant in service is recorded at original cost and depreciation is computed on the straight-line basis for statement purposes. The provision rate is applied to group account assets for computation of annual depreciation. Retirements are recorded using average unit costs.

Reduction of income taxes due to investment tax credit is deferred and is being amortized over the service life of the plant that created the credit

Payroll taxes and employee benefit costs are capitalized on all plant additions. This capitalization is being treated as additions to telephone plant for both statement and income tax purposes.

Interest during constuction is capitalized on major constuction projects. During 1999 there was \$50,199 of IDC capitalized. This capitalization is being treated as additions to telephone plant for statement purposes and is expensed for income tax purposes.

The Company maintains a defined contribution money purchase pension plan for its eligible employees. Contributions to the plan are based upon compensation paid during the plan year. During the years 1999 and 1998 costs under the plan amounted to \$356,658 and \$347,538 respectively.

The Company maintains a self funded health care plan for substantially all of its full time employees. For 1999 and 1998, the Company was liable for employee and/or dependent health care claims up to \$10,000 aggregate per person, after which costs were covered by a stop loss insurance carrier. Costs under the plan amounted to \$286,116 and \$299,009 for the years 1999 and 1998 respectively.

The Company has adopted SFAS 106 which requires the Company to accrue post retirement benefits (other than pensions) during the years in which the employees are actively employed. Costs accrued for the years 1999 and 1998 were \$88,988 and \$90,407.

The Company has established a deferred compensation plan for its president. Under terms of the agreement, he is receive at the time of his retirement an additional annual retirement benefit of \$100,000 per year for a period of 10 years. The cost of this benefit if being funded by the

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

accumulated cash value of life insurance policies. The Company is accruing a liability for the deferred compensation agreement over the period of the presidents employment, beginning when the agreement was adopted.

The Company and its affiliates operate under agreements whereby the Company provides general administrative, management, accounting, purchasing, data processing and other services for its affiliates. These services were billed to the affiliates at the Companys costs and amounted to \$574,934 and \$586,296 for the years 1999 and 1998 respectively.

Schedule Footnotes

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Telephone Calls and Minutes of Use Per Month data is not available.

Schedule Line Footnotes

- A) Special Access Revenues have increased due to the increased number of special access circuits in service.
- B) Miscellaneous Revenues have increase because of Video Distance Learning Service installed in December 1998.
- C) Network Support Expense decreased in 1999 because there was a higher amount of labor capitalized and Network Support Expenses are loaded onto capitalized labor.
- D) Central Office Switching and Central Office Transmission Expenses decreased during 1999 because larger than normal labor costs were capitalized due to switch upgrades.
- E) Access Expenses increased during 1999 due to larger contributions to Federal and state Universal Service programs.
- F) Exchange Route Mile information is not available.
- z)